

may receive creditable service if you repay the amount withdrawn, plus interest, prior to your date of retirement. The cost of purchasing past service is based on what you would have paid in contributions during that period (plus interest to date) or what you actually paid and withdrew (plus interest to date). Please contact the MTRB for information and requirements regarding purchasing creditable service and refund buy-backs.

■ **Are veterans entitled to additional benefits?**

Yes—if you are a military veteran as defined by the Massachusetts General Laws, a veteran’s bonus will be added to your Option A allowance. This bonus is equal to \$15 per year of creditable service, up to a maximum annual total of \$300. Please note that this is the *only* amount that may be added to the calculated Option A allowance, and it will be added even if you have attained the maximum benefit of 80%.

■ **Is my retirement allowance taxable?**

Your retirement allowance is not subject to Massachusetts state income taxes. The federal government (IRS), however, will tax a large portion of your retirement allowance immediately upon retirement. When you retire, we will provide you with a worksheet and additional information to help you determine your federal income tax liability.

■ **Are there any restrictions on working after I retire?**

For employment in the private sector, the federal government or public employment in another state, the answer is no.

For Massachusetts public employment, the answer is yes. In order for the MTRS to maintain its tax qualification status as a defined benefit plan under Section 401(a) of the Internal Revenue Code, your re-employment by a Massachusetts public employer is subject to time and earnings limitations (except in the case of a “critical shortage” as determined by the Department of Education). Please visit our web site for information on these restrictions.

■ **What other retirement issues should I consider?**

- ❑ **Health insurance** Are you (and your spouse) protected? Contact your local insurance coordinator if you wish to continue your health/life benefits after retirement.
- ❑ **Financial planning** How will you protect and supplement your current assets?
- ❑ **Social Security** Contact your local Social Security office for an estimate of your potential benefits.
- ❑ **Legal issues** Protect your estate. Keep your will current.
- ❑ **Life changes** Prepare yourself—mentally, physically and emotionally—for a new lifestyle in retirement.

Ready to retire?

We look forward to assisting you throughout the process and making your transition to retirement as smooth and stress-free as possible. So that you know what to expect, here is an overview of the steps you—and we—need to take:

- ☑ **Five to six months before your effective date of retirement:** you should request an *Application for Retirement* from our office.
- ☑ **Four to five months before your effective date of retirement:** you should complete Part 1 of the *Application for Retirement*, forward your application to your Payroll Officer for completion of Part 2 and begin to gather your required documents.
- ☑ **Three to four months before your effective date of retirement:** you need to file your completed *Application for Retirement* with our office.
- ☑ **Approximately one month before your effective date of retirement:** we will send you a retirement package that includes several forms, including your *Option Selection Form*. This form will show your estimated benefit amounts under the different options. You will then have 30 days to consider your options, select the one that is best for your particular situation and return the form to us.
- ☑ **Approximately one month after your effective date of retirement:** you will receive your first retirement allowance payment (if you have filed in a timely manner). Your first check will include all amounts retroactive to your date of retirement.

Retirement is a major life change—don’t hesitate to seek professional advice on any of these issues. And, if you have any questions along the way, please contact our office.



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This brochure is written in simple language and is intended for use by members of the Massachusetts Teachers’ Retirement System. It briefly describes retirement allowance options and contains formulas, tables and examples to allow you to estimate what your benefits would be under each option. It is not intended as a substitute for the Massachusetts General Laws nor will its interpretation prevail should a conflict arise between it and M.G.L. c. 32.

Estimating Your Retirement Allowance

An MTRB Basics Brochure for our active members



About your benefits

■ **When am I eligible to receive a retirement allowance?**

- You are eligible when you
- ❑ have 20 years of creditable service, regardless of your age OR
 - ❑ are at least age 55 *and* you have at least 10 years of creditable service.

If, however, you do not meet either of these requirements and you were a member of the MTRS prior to January 1, 1978, different eligibility requirements may apply to you. Please contact the MTRB for additional information.

If you are participating in Retirement*Plus*—because you either elected to participate or you became a member of the MTRS on or after July 1, 2001—you are eligible to receive an enhanced benefit if you:

- ❑ have accrued 30 or more years of creditable service, at least 20 of which are teaching service with the MTRS or the Boston Retirement System; and,
- ❑ have contributed at the Retirement*Plus* rate of 11% for at least five years, or have made accelerated payments to meet this contribution requirement.

■ **Instead of receiving a retirement allowance, can I receive a refund of my contributions and interest?**

Yes—you may receive a refund if you have officially resigned from your position and will not be re-employed by a Massachusetts public employer (in other words, you will not be employed in a position requiring membership in a Massachusetts contributory retirement system. Visit our web site for more information on your options upon leaving active service.

Note: The law provides certain forfeiture provisions in the event of conviction of certain criminal offenses. Your refund may be subject to a Notice of Child Support Lien and Levy from the Department of Revenue.

■ **What constitutes “creditable service” and can I receive credit for earlier teaching and public service?**

“Creditable service” is time that you have worked as a teacher, administrator or other Massachusetts public employee, and for which you have paid or transferred retirement contributions to the MTRS; creditable service also includes certain military service.

You may be able to purchase credit for prior substitute teaching, teaching in an out-of-state public school, certain non-public school teaching, other Massachusetts public service and active military service. Also, if you withdrew your retirement account from the MTRS or any other Massachusetts contributory retirement system, you

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Option A

☐ all Option A payments will stop. Your estate will not receive any balance remaining in your annuity savings account.

Yrs service	R+	Yrs service	R+	Yrs service	R+	Yrs service	R+
30.....	12%	33.....	18%	36.....	24%	39.....	30%
31.....	14%	34.....	20%	37.....	26%	40.....	32%
32.....	16%	35.....	22%	38.....	28%		

**** Your "allowable % of salary average" may not exceed 80%.**

*** If you are a wartime veteran, \$15 for each year of teaching service (up to a maximum of \$300) is added to the Option A annual allowance, even if you have attained the maximum “allowable % of salary average” of 80%.

Option B

Option B provides you with a monthly allowance that is approximately 3–5% less than an Option A allowance. This option's payments are slightly less because Option B *does* provide for a possible, one-time, lump-sum survivor benefit.

The Option B survivor benefit is a lump-sum payment of the balance, if any, remaining in your annuity savings account at the time of your death. During your retirement, the balance in your annuity savings account decreases by an amount equal to the annuity portion of your retirement allowance. In most cases, your annuity savings account will be depleted after 15 years. In practicality, this recordkeeping is “invisible” to you and the reductions do *not* affect your monthly retirement payments. Upon your death,

- ☐ all Option B payments will stop; and,
- ☐ the balance remaining in your annuity savings account, if any, will be paid in a lump sum to your beneficiary or estate.

If your annuity savings account is depleted while you are receiving your allowance, you will continue to receive your full Option B retirement allowance for life; upon your death, your beneficiary or estate will receive only the amount of your retirement allowance that you were entitled to in the month of your death. Under Option B, you may designate more than one person as your Option B beneficiary and that person or persons need not be related to you.

Option
C

Option C provides you with the smallest monthly allowance (approximately 20–30% less than an Option A allowance). It also provides your surviving beneficiary with monthly payments for the rest of his or her life.

As you'll see in the example, the calculation of the Option C allowance is based on the life expectancies of both you and your beneficiary at the time of your retirement. Upon your death,

- all Option C payments will stop; and,
- your beneficiary will receive a survivor benefit equal to two-thirds of the amount of your Option C allowance. Your beneficiary must be your spouse, parent, sibling, child or former spouse who has not remarried.

A Special Note About Option C: Under Option C, if your beneficiary predeceases you, you cannot name a different “Option C beneficiary.” Under the terms of the “pop up” provision of the Pension Reform Act of 1987, your monthly benefit will “pop up” to the Option A benefit amount you would have received on your date of retirement, plus any cost-of-living adjustments. This new, higher amount is then paid to you as of the date of the death of your beneficiary and until you die. In the event that your Option C beneficiary predeceases you, you will need to notify the MTRB.

The formulas for estimating your superannuation retirement allowances under Options A, B and C are shown below. The example illustrates the calculations for a member who retires under RetirementPlus at age 58 with 35 years of creditable service, an average salary of \$42,000 for her highest three consecutive years or last three years, whichever is greater, and a beneficiary who is age 57.

Example				You
Option A Age Factor <i>(see table)</i>			.018	<input type="text"/>
x	Years of creditable service	x	35	<input type="text"/>
% of salary average			63%	<input type="text"/> %
+	RetirementPlus % *	+	22%	<input type="text"/> %
Allowable % of salary average**			80%	<input type="text"/> %
x	3-year salary average	x	\$42,000	<input type="text"/> \$
Option A annual allowance***			\$33,600	<input type="text"/> \$

		Example	You
	Option A annual allowance	\$33,600	\$
x	96% (3–5% less than Option A)÷	x 96%	x 96%
	Option B annual allowance	\$32,256	\$

‡ As noted at left, the Option B allowance is approximately 3–5% less than the Option A amount. For purposes of illustration only, we have estimated the Option B amount at 4% less than the Option A amount.

		Example	You
	Option A annual allowance	\$33,600	\$ <input type="text"/>
x	Option C Factor (<i>see table</i>)	x 81%	x <input type="text"/> %
	Option C annual allowance	\$27,216	\$ <input type="text"/>
x	2/3 (<i>allowed survivor portion</i>)	x 2/3	x <input type="text"/> 2/3
	Annual member-survivor benefit paid to your survivor	\$18,144	\$ <input type="text"/>

Option A Age Factors

Use your age on your retirement date

Age	Factor	Age	Factor	Age	Factor
41	.001	50	.010	59	.019
42	.002	51	.011	60	.020
43	.003	52	.012	61	.021
44	.004	53	.013	62	.022
45	.005	54	.014	63	.023
46	.006	55	.015	64	.024
47	.007	56	.016	65 +	.025
48	.008	57	.017		
49	.009	58	.018		

Option C Factors

To obtain your Option C factor, determine what your age will be on your birthday closest to your retirement date; then determine what your beneficiary's age will be on his or her birthday that is closest to your retirement date. Find these ages on the appropriate axes and follow the row and column into the table. Your Option C factor is the number where the row and column intersect.

Please note that for the purposes of this brochure, the values in this table are rounded, approximate percentages. Also, if the age combination for you and your beneficiary is not listed, contact the MTRB for the appropriate Option C factor.

67	65	66	67	68	68	69	70	71	72	73	73	74	75	76	77	78
66	67	67	68	69	70	71	72	72	73	74	75	76	76	77	78	79
65	68	69	69	70	71	72	72	73	74	75	76	76	77	78	80	80
64	69	70	71	72	72	73	74	75	75	76	77	78	79	79	81	81
63	71	71	72	73	74	74	75	76	77	78	78	79	80	81	82	83
62	72	73	74	74	75	76	77	77	78	79	80	80	81	82	83	84
61	74	74	75	76	76	77	78	79	79	80	81	81	82	83	84	85
60	75	76	76	77	78	78	79	80	80	81	82	83	83	84	85	86
59	76	77	78	78	79	80	80	81	82	82	83	84	84	85	86	87
58	77	78	79	79	80	81	81	82	83	83	84	85	85	86	87	87
57	79	79	80	81	81	82	83	83	84	84	85	86	86	87	88	88
56	80	80	81	82	82	83	84	84	85	85	86	86	87	87	89	89
55	81	82	82	83	83	84	85	85	86	86	87	87	88	88	89	90
54	82	83	83	84	84	85	85	86	87	87	88	88	89	89	90	90
53	83	84	84	85	85	86	86	87	87	88	88	89	89	90	91	91
52	84	85	85	86	86	87	87	88	88	89	89	90	90	90	91	92
	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67